

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

In Re:

LAS MARTAS, INC.
XXX-XX-1863

Debtor(s)

Case No.: 22-02380 (ESL)

Chapter 12

TRUSTEE'S POSITION
REGARDING THE CONFIRMATION OF
AMENDED CHAPTER 12 PLAN
DATED JANUARY 10, 2023 (DOCKET 93)

TO THE HONORABLE COURT:

NOW COMES José R. Carrión, Chapter 12 Standing Trustee, through the undersigned attorney, and very respectfully submits his position regarding the confirmation of amended Chapter 12 plan dated January 10, 2023 (Docket 93).

I. INTRODUCTION

The present Chapter 12 case was filed on August 16, 2022 (Dkt 01) and the meeting of creditors was held on September 8, 2021 (Dkt 34). A Chapter 12 plan was filed on January 10, 2023 (Dkt 93, the "Plan") amending previous plan dated November 14, 2022 (Dkt 49). The same includes a payment schedule of \$2,500.00 for 12 months, \$3,000.00 for 12 months and \$3,500.00 for 12 months, for a plan base of \$108,000.00. The plan provides for payment of attorneys' fees. Also, it provides for the payment in full of priority claims filed by the Internal Revenue Service and the Department of the Treasury. Furthermore, Debtor provides for direct payments to secured debts with the Small Business Administration and Condado 5, LLC ("Condado"). As to the debt with Condado, the Plan provides for the bifurcation of

the debt, in which \$293,500 will be treated as secured and paid directly by the Debtor and the remaining balance will be considered as general unsecured. General unsecured claims, including Condado's claim, would be paid pro-rata and, per Trustee's calculations, would receive approximately \$65,660.09 or a five percent distribution.

Considering the assets and liabilities listed by Debtors, the liquidation value has been estimated at \$38,660.00, without deducting priority claims.

II. TRUSTEE'S POSITION

The Trustee, in principle, has no objection to the confirmation of the Plan, as the same complies with the terms of 11 U.S.C. §§1222 and 1225. Nevertheless, a final determination of compliance with the confirmation requirements are subject to resolution of the following matters:

- (a) The Plan provides for the bifurcation of secured claim filed by Condado into secured and unsecured portions. Said creditor, however, has objected treatment. The extent of Condado's security interest over Debtor's assets is currently in litigation and pending resolution of this Court. If Condado's lien extends beyond the debtor's milk quota, i.e. to post petition milk production, then Debtor will not be able to make payments under the plan.

(b) The Trustee is currently performing an investigation regarding the use of \$37,101.00 that Debtor received pre-petition from a USDA grant. The outcome of this investigation may or may not affect the confirmation.

If resolution of these two matters is resolved in favor of the debtor, then the amended plan could be confirmed, otherwise not.

WHEREFORE, the Trustee respectfully requests that this Honorable Court take notice of his position regarding the proposed amended plan dated January 10, 2023 (Dkt 93).

RESPECTFULLY SUBMITTED

CERTIFICATE OF SERVICE: The Chapter 13 Trustee certifies that a copy of this motion has been served by CM/ECF to all parties in interest who have filed a notice of appearance and requested to receive notices in this case. A copy of this motion will be served by regular US Mail to: the DEBTOR(s) and her/his/their attorney and all Creditors and Parties in Interest to their respective address of record as they appear in the attached master address list to the address of record, if not an ECFS register user.

In San Juan, Puerto Rico this 26th day of January, 2023.

/s/ José R. Carrión

/s/ Alexandra Rodríguez Díaz
Staff Attorney
Bar No. 224,311

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